

## Disclosures and Liens

A contractor's bond may not be enough to cover a claim which might arise from the work done under your contract. If your job costs \$1,000 or more, the contractor must give you a **disclosure statement** which contains the contractor's registration number, bond information, and a warning against "materialmen's liens."

Under a "materialmen's lien," the contractor, any subcontractor, or material supplier for your project can go to court and try to take possession of your property if they are not paid. As a precautionary measure, you may request that the contractor provide you with original "lien release" documents from each supplier or subcontractor on your project before you make final payment. The contractor is required to provide you with further information about lien release documents if you request it.

**For more information** call the Department of Labor and Industries Contractor Registration line at (800) 647-0982 or the Office of the Attorney General's ConsumerLine at (800) 692-5082, (800) 276-9883 TDD.

## For Further Information

The Consumer Resource Centers of the Attorney General's Office provide information and informal mediation of disputes to consumers and businesses. If you have a question, would like additional printed materials, or want assistance in resolving a consumer problem, please contact the nearest Consumer Resource Center by calling the statewide toll free or local telephone number below.

The Attorney General's Office cannot provide legal services for you or act as your attorney. You should consider other informal dispute resolution services, small claims court (for disputes involving less than \$2,500) or consulting a private attorney to determine your full legal rights.

### CONSUMER RESOURCE CENTERS OFFICE OF THE ATTORNEY GENERAL

E-Mail ..... [protect@atg.wa.gov](mailto:protect@atg.wa.gov)  
Web site ..... <http://www.wa.gov/ago/consumer>

Statewide ..... (800) 551-4636 Voice  
(800) 276-9883 Hearing Impaired (TDD)

Bellingham ..... (360) 738-6185  
Kennewick ..... (509) 734-7140  
Olympia ..... (360) 753-6210  
Seattle ..... (206) 464-6684 Voice  
(206) 464-7293 Hearing Impaired (TDD)

Spokane ..... (509) 456-3123  
Tacoma ..... (253) 593-2904  
Vancouver ..... (360) 759-2150  
LEMON LAW: .... (800) 541 8898  
or in Seattle, 587-4240.

CONSUMERLINE has taped information on a number of consumer related issues. Residents in Washington can call (800) 692-5082.

The Attorney General's Office has a policy of providing equal access to its services. If you need to receive the information in this brochure in an alternate format, please call (206) 464-6684. The hearing impaired may call 1-(800) 276-9883 State-wide, or in Seattle at 464-7293.



Hiring A Contractor September 2000  
Published by the Consumer Protection Division  
of the Washington State Attorney General's  
Office.

## Hiring A Contractor

# HOME REPAIR?



# DON'T DESPAIR!

Consumer Resource Center  
Office of the Attorney General  
Christine O. Gregoire

# Hiring A Contractor

Whether you plan to build, remodel or add-on, your home improvement project may require the services of a contractor. Your project may cost thousands of dollars, so choosing a qualified contractor is very important. The Office of the Attorney General publishes this web page to help you make good, well informed decisions.

## Beginning the process

### Research your project.

Ask questions of your friends, local hardware stores, and local building inspectors. Your research should include what has to be done, the best ways to do the work, and the types of materials that may be used and their cost.

### Get the names of several contractors.

Start with friends and neighbors who have had similar work done. Home improvement stores and building supply stores have ongoing relationships with contractors. Trade associations can also be effective resources. Finally, check with the Department of Labor & Industries regarding the status of the contractor's license. (800) 647- 0982.

### Get bids on your job.

It's usually a good idea to ask at least three contractors to estimate the costs of your project. This is normally a free service and it helps prepare you for negotiating a final contract. Make sure that the bids detail the scope of the work, the types of the materials that will be used, and the total cost of the project.

Normally, the costs of a project are either set at a fixed price or "cost-plus." In a fixed price bid, the contractor promises to do the work specified at a certain cost. Any changes which you decide to make would have to be negotiated with the contractor separately. In a "cost-plus" bid, the contractor does the work,- submits all the invoices and labor charges to the client, and adds a certain percentage for

contractor's profit and overhead, typically 20 percent. If you are borrowing money for the job, it is a good idea to discuss the bids with the lender.

### Carefully compare the bids.

Once you receive the bids, take time to compare them carefully. Be sure each includes everything you want. If a bid contains unwanted or unneeded items, keep these in mind for possible negotiations with the contractor. Remember that the bid is a starting point in your negotiations.

Keep in mind that the lowest bid is not necessarily the best bid. A particularly low bid may indicate that the contractor does not fully understand the scope of the project or is too inexperienced to accurately estimate the amount of labor and materials required.

## Beware of Con Artists

Door-to-door fraud is a growing problem in Washington. Contractors do not normally solicit work in this manner. Here are some things to look out for:

- Arrival in an unmarked truck or van
- A "contractor" claiming "We've just done a job nearby and have some material left over, so we can do the job for half the price."
- A post office address with no street address (and even a street address should be checked), or a phone number that is just an answering service.
- High pressure sales tactics
- Refusal to give you a written estimate, contract, their contractor's license number, or local references.

## Signing A Contract

Once you've agreed on a bid with a contractor, get it in writing. A contract should be written and explicit in detail. It should include:

- An exact description of all the work to be performed
- A list of the materials to be used which defines textures, brands, colors, sizes, and models
- The total dollar amount of the contract and a schedule for payments. Be very cautious about a contractor who demands a large payment up front (50 percent or more). Contractors are accustomed to pay-as-you-go schedules or waiting until after the job is done.
- Any promises made by the salesperson/contractor
- Who will be responsible for getting the necessary building permits
- The starting and completion dates
- Any warranty (for example, a Home Owners Warranty) and a holdback clause which allows you to withhold final payment until sometime after the job's completion to allow you time to inspect the job. If there are any problems, this can serve as an incentive for the contractor to fix them.
- Cleanup. This item is often neglected, but it should be considered especially if a good deal of debris will be generated.
- The contractor's signature as well as your own.